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North Utility District awarded Recovery Act funding for water improvements

SPRING CITY, Tenn., April 22, 2010 — USDA Rural Development State Director Bobby Goode today announced federal funding to develop a new 500 GPM water supply and treatment facility for more than 1,000 homes and businesses served by North Utility District of Rhea County (NUDRC). The presentation took place at the Pine Grove Volunteer Fire Department.

"Safe, reliable water service is vital to the economic health of a community," said Goode. "Through partnerships like this, USDA Rural Development is putting people to work and building a firm foundation for prosperity in Rhea County."

NUDRC currently relies on surface water purchased from the Town of Spring City. According to officials, because the utility district is spread out, water often fails to meet some state regulatory requirements by the time it reaches the ends of the system.

Funding for the needed improvements comes from the American Recovery and Reinvestment Act and includes a low-interest loan of \$660,000 and a grant of \$420,000. The investment will be used to construct new wells, build a treatment facility, and install a high capacity pump station to better meet growing demand. Because the water systems are interconnected NUDRC and Spring City will also serve as backup water supply for each other.

Rural Development community programs finance construction or improvements to essential services like reliable access to clean water, wastewater treatment, healthcare, education, job training and first responder facilities. Loan-guarantees encourage private lenders to expand the availability of affordable financing in rural communities. Direct loans and grants create sound financial opportunities for local governments to meet essential infrastructure needs. Funding for water projects targets areas with populations of less than 10,000, for which commercial sources of investment capital are not available.

Others participating in the event included NUDRC Chairman Doug MacEwan, Rhea County North UD Commissioners Nancy Cecil and Chuck Van Zyle, Mayor Billy Ray Patton, and USDA Rural Development Chattanooga Area Director Rickey Hickman and specialist David Collett.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) is designed to jumpstart the nation's economy, create or save millions of jobs and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

More information about USDA's Recovery Act efforts is available at www.usda.gov/recovery.

USDA Rural Development invests in jobs, businesses, community infrastructure, homeownership and affordable rental housing in rural communities. Last year Rural Development

assisted more than 866,000 Tennessee families and businesses with more than \$619 million in financial assistance through affordable loans, loan guarantees and grants.

For more information on Rural Development programs available in southeast Tennessee contact the Rural Development Area Office in Chattanooga at 423-756-2239, toll free at 1-800-342-3149 ext. 1492 or visit us online at www.rurdev.usda.gov/tn.

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